

Message Text

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12

ACTION EB-11

INFO OCT-01 EA-11 ISO-00 SS-20 L-03 DRC-01 RSC-01 SSO-00

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FM AMEMBASSY MANILA

TO SECSTATE WASHDC IMMEDIATE 1862

C O N F I D E N T I A L MANILA 3045

STADIS////////////////////////////////////

FOR INGERSOLL

E O 11652: GDS

TAGS: ETRN, EGEN, RP

SUBJ: IMPLICATIONS OF PHILIPPINE HOMECOMING FARE ISSUE

REF: A) STATE 44712; B) MANILA 2748

1. I HAVE BEEN CONCERNED BY THE NARROW APPROACH WASHINGTON HAS TAKEN TO THE PHILIPPINE HOMECOMING FARE PROBLEM, BOTH IN INADEQUATELY ASSESSING ITS PRACTICAL EFFECT ON THE PATTERNS OF WEST COAST-MANILA PASSENGER TRAFFIC, AND MORE IMPORTANTLY FOR THE IMMEDIATE FUTURE, IN OVERLOOKING THE UNFAVORABLE EFFECT ON THE NEGOTIATING ATMOSPHERE HERE OF A U.S. REJECTION OF A PROGRAM OF GREAT INTEREST TO PRESIDENT MARCOS. WE HAVE ALREADY HAD INDICATIONS OF IRRITATION IN MALACANANG AT THE US CAB ACTION, AND WE HAVE TEMPORIZED BY POINTING OUT TO THE PHIL CAB THAT THE MATTER MUST STILL BE REVIEWED BY THE WHITE HOUSE BEFORE THE SUSPENSE ORDER BECOMES FINAL. NOW WE ARE FACING THE MARCH 15 DEADLINE FOR WHITE HOUSE ACTION IF THE CAB RULING IS TO BE REVERSED.

2. IN REF B WE EXPLAINED WHAT WE THINK ARE IMPORTANT CIVIL AVIATION ISSUES AT STAKE IN THE HOMECOMING

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FARE DECISION. WE HOPE THEY WILL BE GIVEN FULL

CONSIDERATION ON THE LEVEL OF OUR AVIATION INTERESTS.
I HAVE A GREATER CONCERN ON THE POLITICAL LEVEL IN
THE INTRODUCTION OF A NEW IRRITANT IN OUR RELATIONS
WITH MALACANANG AT THIS PRECISE MOMENT WHEN WE ARE
LAUNCHING ECONOMIC AND MILITARY NEGOTIATIONS OF
GREAT IMPORTANCE TO U.S. INTEREST.

3. MOREOVER, THIS CAB RECOMMENDATION, IF APPROVED BY
THE WHITE HOUSE, COULD START A WHOLE SERIES OF MUTUAL
RETALIATIONS WHICH WOULD INVOLVE AN ALMOST ENDLESS
DEGENERATION IN OUR AVIATION RELATIONS WITH THE
PHILIPPINES. FOR EXAMPLE, HOMECOMING FARES ARE
DESCRIBED AS DISCRIMINATORY. YET, AS INDICATED REF B,
OUR U.S. CARRIERS FLY U.S. SERVICEMEN AND THEIR
DEPENDENTS IN AND OUT OF MANILA AT FARES EVEN LOWER
THAN HOMECOMING. THESE ARE CLEARLY DISCRIMINATORY
IN FAVOR OF AMERICANS. THE PHILIPPINE CAB MAY
LOGICALLY BE EXPECTED TO DISAPPROVE OF THEM IN
RETALIATION. AND SO ON, AD NAUSEUM.

4. I HOPE YOU WILL BE ABLE TO DRAW THESE FACTORS TO
THE ATTENTION OF THE WHITE HOUSE IN A WAY THAT WILL
BRING ABOUT A REVERSAL OF THE CAB RULING ON AN
ISSUE WHICH COULD CAUSE A SETBACK TO OUR
NEGOTIATING INTERESTS HERE.
SULLIVAN

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NNN

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